



State of California—Health and Human Services Agency  
Department of Health Care Services



ARNOLD SCHWARZENEGGER  
*Governor*

March 28, 2008

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:08-11  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS  
ALL COUNTY MEDS LIAISONS

SUBJECT: MEDI-CAL ELIGIBILITY QUALITY CONTROL (MEQC) GEOGRAPHIC  
SAMPLING PLAN (GSP) PILOT PROJECT

The purpose of this letter is to inform counties of the Centers for Medicare and Medicaid Services (CMS), approved extension of the GSP pilot project. The renewed GSP authorizes the Department of Health Care Services to continue conducting geographic sampling of Medi-Cal Assistance Only (MAO) cases. The initial pilot was implemented on July 1, 1999, and has been extended effective every July 1<sup>st</sup> thereafter through Fiscal Year (FY) 2007/2008. This All County Welfare Directors' Letter provides information on the latest extension, which is effective July 1, 2008, for FY 2008/2009.

### **BACKGROUND**

Prior to approval of the GSP pilot project, the Program Review Section (PRS) annually reviewed random samples of MAO cases for all 58 counties. The number of MEQC case reviews selected for each county was proportionate to its share of the statewide MAO beneficiary population. Because of this, small counties had only limited numbers of cases reviewed annually. These minimal numbers of case reviews may not have accurately reflected the performance of these counties in determining Medi-Cal eligibility. Under the renewed GSP, this revised sampling strategy provides for MEQC case reviews in the 25 large counties in terms of MAO population. This sampling strategy has minimize travel time and costs, increase MEQC efficiency, and enhance the accuracy and usefulness of county reports. In consideration of the GSP, the Department agrees to maintain the level of MEQC effort.

## **GSP PILOT PROJECT**

Based on the 2007/2008 GSP, MEQC case reviews will be conducted in the 25 large counties which comprise approximately 94 percent of the statewide MAO population. As a result of the extension of the GSP pilot project, the annual MEQC coverage for the 25 large counties is projected to be 2,520 cases. (15 cases monthly x 12 months x 14 staff persons). As this will provide more MEQC data, it should ensure more accurate measurement of state and county performance in the MAO program as well as suggesting possible Focused Review issues.

Enclosed for your information is a chart of California counties MAO population size. The chart reflects the MAO population for March 2007 month of eligibility as noted in the ELIG0708\_Benes\_by\_Month\_2007\_08 report. The 33 smallest and 25 largest counties are identified as well as the MAO numbers for each county.

CMS's approval of the GSP pilot project freezes the MEQC dollar error rate for the State of California at 0.635 percent. This percent is the lowest level of statistical certainty for the computed dollar error rate for FY 1997 the most recently completed MEQC period prior to the inception of the GSP pilot project. The terms of the GSP pilot project preclude MEQC fiscal repercussions or sanctions for the duration of the pilot project.

As a part of the extension effective July 1, 2008, the dollar threshold level for a citeable Medi-Cal error will remain at \$400. Any discrepancy in the share of cost which is below \$400 will be reported as a procedural error, not a citeable error. This dollar error threshold will allow both PRS and county Medi-Cal program staff to focus attention on significant dollar issues. However, all MEQC findings will continue to be reported to the counties for corrective action where appropriate, including dollar discrepancies of less than \$400. As part of the GSP, PRS will conduct Corrective Action Reviews on all MEQC cases with citeable errors and procedural errors.

The Department provides an annual report to CMS on the findings of the MEQC pilot project. We anticipate that the pilot will be renewed annually and will continue for an indefinite period of time.

## **ACCOMPLISHMENTS**

Under the GSP pilot project thus far, PRS has achieved the following accomplishments:

- Due to refinements in the MEQC review process, the number of MEQC case reviews have increased from 1,500 annually in 1998/1999 to an estimated 2,520 MEQC reviews for 2008/09.

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- Much more reliable data concerning error trends has resulted from limiting MEQC reviews to the 25 large counties.
- The dollar error threshold has increased from \$5, which had been in effect since at least 1979 to June 30, 1999, to \$400 effective July 1, 2002.

### **SUMMARY**

In addition to increasing efficiency and use of Quality Control staff time, the GSP should enhance the accuracy and usefulness of reported findings. The Department is confident the extension of the pilot project effective July 1, 2008, will continue to provide counties with more complete MEQC information and assist in our common quest for excellence in the Medi-Cal eligibility determination process.

If you have any questions, please contact Mr. John Lim of my staff at (415) 904-9702.

**Original signed by Vivian Auble**

Vivian Auble, Chief  
Medi-Cal Eligibility Division

Enclosure

**PROPOSED GSP LARGE AND SMALL COUNTIES  
FOR APRIL 2008 THROUGH SEPTEMBER 2008 AND  
OCTOBER 2008 THROUGH MARCH 2009 BASE PERIODS**

**Medi-Cal Eligibility Quality Control Counties  
25 Largest Counties**

(approximately 94% of CA MAO population)

<b>County</b>	<b>Total</b>	<b>% Total</b>
Los Angeles	1,460,864	37.5%
Orange	248,701	6.4%
San Bernardino	196,220	5.0%
San Diego	193,424	5.0%
Riverside	177,612	4.6%
Fresno	153,691	4.0%
Santa Clara	136,534	3.5%
Sacramento	130,131	3.3%
Kern	114,745	2.9%
Alameda	111,413	2.9%
Tulare	89,164	2.3%
Ventura	75,894	1.9%
San Joaquin	74,607	1.9%
Stanislaus	65,180	1.7%
Contra Costa	63,781	1.6%
San Francisco	57,759	1.5%
Monterey	48,488	1.2%
Santa Barbara	45,576	1.2%
San Mateo	41,418	1.1%
Merced	38,778	1.0%
Sonoma	31,722	0.8%
Solano	31,645	0.8%
Imperial	25,996	0.7%
Santa Cruz	25,166	0.6%
Madera	23,256	0.6%
<b>Total</b>	<b>3,661,765</b>	<b>94.0%</b>

**Periodic Case Review Counties  
33 Smallest Counties**

(approximately 6% of CA MAO population)

<b>County</b>	<b>Total</b>	<b>% Total</b>
Butte	23,211	0.6%
Kings	18,858	0.5%
San Luis Obispo	18,106	0.5%
Shasta	16,714	0.4%
Yolo	15,694	0.4%
Placer	13,944	0.3%
Humboldt	13,147	0.3%
Mendocino	11,860	0.3%
Sutter	11,497	0.3%
Marin	10,982	0.3%
Yuba	8,992	0.2%
El Dorado	8,935	0.2%
Napa	8,433	0.2%
Tehama	7,437	0.2%
Lake	7,362	0.2%
San Benito	5,017	0.13%
Nevada	4,956	0.13%
Siskiyou	4,564	0.12%
Glenn	4,096	0.10%
Tuolumne	3,511	0.09%
Del Norte	3,161	0.08%
Colusa	3,127	0.08%
Calaveras	2,599	0.07%
Lassen	2,472	0.06%
Amador	2,000	0.05%
Inyo	1,975	0.05%
Trinity	1,322	0.03%
Mariposa	1,284	0.03%
Plumas	1,284	0.03%
Modoc	1,180	0.03%
Mono	845	0.02%
Sierra	229	0.005%
Alpine	103	0.002%
<b>Total</b>	<b>238,897</b>	<b>6.0%</b>

**Statewide Total 3,900,662**

**ELIG0708\_Benes\_by\_Month\_2007\_08 Report  
2007-03 Beneficiary Count**

**Medically Indigent+, Medically Needy+, and Other+ categories  
were used for this Enclosure**